

MASTER ECONOMIC DEVELOPMENT AGREEMENT
BY AND AMONG
CITY OF KILLEEN, TEXAS,
KILLEEN TAX INCREMENT INVESTMENT ZONE #2
and
LA CASCATA RETAIL VILLAGE LP

TABLE OF CONTENTS

	<u>Page No.</u>
ARTICLE 1 PURPOSE AND INTERPRETATION	2
1.1 Objectives.....	2
1.2 Concept and Structure	3
1.3 Legal Representation of the Parties.....	3
ARTICLE 2 DEFINITIONS.....	3
ARTICLE 3 DEVELOPMENT AND OPERATION OF THE DEVELOPMENT	5
3.1 Overview	5
3.2 Public Infrastructure.....	5
3.3 Eligible Costs Budget.....	5
3.4 Development and Construction Responsibilities.	5
3.5 Conveyance of Public Infrastructure.....	9
ARTICLE 4 CITY FINANCING	9
4.1 Cost of Construction.....	9
4.2 Developer Obligations.....	9
4.3 City Grants	10
4.4 Limitations on City Grants.....	10
4.5 Sales Tax Reports.....	10
4.6 City Grant Payments	10
4.7 Exceptions	10
ARTICLE 5 TIRZ #2 FINANCING.....	11
5.1 TIRZ #2 Formation	11
5.2 TIRZ #2 Obligations	11
5.3 Developer TIRZ #2 Obligations.....	11
5.4 TIRZ #2 Reimbursements	12
ARTICLE 6 ADDITIONAL DEVELOPER OBLIGATIONS.....	12
6.1 Completion of the Development	12
6.2 Development Employment.....	12
6.3 Audits	12
6.4 Limitations on Sales Tax Rebates	12

ARTICLE 7 CHANGE IN TAX SCHEME	13
ARTICLE 8 TERMINATION	13
8.1 Termination	13
8.2 Termination Date.....	13
8.3 City Termination Procedure	13
8.4 Developer's Termination Procedure	14
8.5 Effect of Termination	14
ARTICLE 9 REPRESENTATIONS AND WARRANTIES	14
9.1 Representations and Warranties of Developer	14
9.2 Representations and Warranties of City and the TIRZ #2	15
ARTICLE 10 INDEMNIFICATION AND INSURANCE	16
10.1 Indemnity	16
10.2 Indemnification Procedures	16
ARTICLE 11 MISCELLANEOUS	17
11.1 Article, Section or Other Headings.....	17
11.2 Entire Agreement.....	17
11.3 Amendment	17
11.4 Successors and Assigns	17
11.5 Waiver	17
11.6 Remedies	17
11.7 Notices	17
11.8 Applicable Law.....	18
11.9 Severability	18
11.10 No Third-Party Beneficiaries.....	18
11.11 No Joint Venture.....	18
11.12 Counterparts.....	19
11.13 Confidential	19

Exhibits

Exhibit "A"	Site
Exhibit "A-1"	Phasing Plan
Exhibit "B"	TIRZ #2 Zone
Exhibit "C"	Infrastructure Projected Costs
Exhibit "D"	Development Building Standards
Exhibit "E"	Tenant's Waiver

MASTER ECONOMIC DEVELOPMENT AGREEMENT

This **MASTER ECONOMIC DEVELOPMENT AGREEMENT** ("Agreement") is entered into to be effective as of the _____ day of _____, 2015 (the "Effective Date"), by and among the **CITY OF KILLEEN, TEXAS** (the "City"), a home rule city organized under the laws of the State of Texas, the **KILLEEN TAX INCREMENT INVESTMENT ZONE #2** (the "TIRZ #2") and **LA CASCATA RETAIL VILLAGE LP**, a Texas limited partnership (the "Developer").

RECITALS

WHEREAS, the Developer desires to construct a shopping center development, containing approximately 320,000 square feet of rentable area, which may contain establishments selling goods, wares, merchandise, food, beverages, services and the like and entertainment and office uses and other uses as are found in similar shopping center developments in the State of Texas (as further defined in Article 2, the "Development") and all on the site described on **Exhibit "A"** attached hereto (the "Site"), located within the city limits of Killeen, Texas;

WHEREAS, the Developer has advised the City that a contributing factor that would induce the Developer to develop the Development would be an agreement with the City to provide a performance-based economic development grant to the Developer to defray a portion of the costs to be incurred by the Developer as a consequence of developing and constructing the Development;

WHEREAS, pursuant to the Tax Increment Financing Act, Chapter 311, Texas Tax Code (the "TIF Act"), the City has designated a reinvestment zone to promote development or redevelopment of property within the jurisdiction of the City, which includes the Site;

WHEREAS, under the TIF Act, the City has the power to utilize tax increments (as defined in the TIF Act) within the reinvestment zone to finance and refinance public works and public improvement projects;

WHEREAS, the City further determined that development of the property within the TIF Zone, as hereinafter defined, will not occur solely through private investment in the reasonably foreseeable future and the property is predominately open and, because of obsolete platting, deterioration of structures or site improvements, or other factors, substantially impairs or arrests the sound growth of the City;

WHEREAS, the City Council has found and determined that by entering into this Agreement, the construction of the Development and related Public Infrastructure (as hereinafter defined) will further the public interest and welfare, and the potential economic benefits that will accrue to the City under the terms and conditions of this Agreement which are consistent with the City's economic development objectives;

WHEREAS, in addition to the benefits available under the TIF Act, the City has other funds available for performance-based economic development grants which it desires to make available for development of the Development;

WHEREAS, the City is authorized by Article III, Section 52-a of the Texas Constitution and Chapters 380 and 395 of the TEX. LOC. GOV'T CODE, to establish economic development programs and to provide grants for economic development;

WHEREAS, the City, the TIRZ #2 and the Developer desire to set forth in this Agreement the terms and conditions of the construction, development, and financing of the Facility on the Site and the related Public Infrastructure; and

WHEREAS, the parties recognize that all agreements of the parties hereto and all terms and provisions hereof are subject to the laws of the State of Texas and all rules, regulations and interpretations of any agency or subdivision thereof at any time governing the subject matters hereof.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

ARTICLE 1 PURPOSE AND INTERPRETATION

1.1 **Objectives.** The Developer is interested in developing the Development and has designated the Site as a potential location for such project. The City and TIRZ #2 believe that the Development at the Site will attract additional businesses, development, and investment in the City. The City and the TIRZ #2 recognize that the Development at the Site will likely serve as an economic stimulus to this developing area, resulting in significant job growth and increased tax revenue for the City. Consequently, the City and the TIRZ #2 strongly favor the Developer's location of the Development at the Site.

The parties acknowledge that the present infrastructure in the vicinity of the Site is underdeveloped and thus insufficient to support the anticipated Development by the Developer. The City has formed a Tax Increment Financing Reinvestment Zone, the boundaries of which are depicted on **Exhibit "B"** attached hereto, designated by the City as a reinvestment zone eligible for tax increment financing under § 311.003 of the Texas Tax Code (the "TIRZ #2 Zone"). In order to encourage the Developer to locate the Development at the Site and to make the area surrounding the Site more attractive to other businesses seeking to establish new facilities near the Site, the Developer has requested that the City and the TIRZ #2 fund certain costs associated with the acquisition, financing, design and construction of related public infrastructure and eligible project components (as further defined in **Exhibit "C"** and in accordance with Section 311.002 of the Texas Tax Code, the "Eligible Project Costs"), necessary to support the Site, all as described in this Agreement.

1.2 Concept and Structure. Development of the Development at the Site will result in increased property and sales tax revenues to the City and other taxing units with jurisdiction at the Site. To accomplish the objectives listed above, the Developer will be responsible for the development, construction and costs of the Development at the Site and the related Public Infrastructure. In return, the City and the TIRZ #2 will reimburse the Developer for the costs of the Eligible Project Costs related to the Development and the Site, including, without limitation, the Public Infrastructure, which shall be payable from (a) TIRZ #2 Revenues (as defined herein) which are generated in the TIRZ #2 Zone, (b) City Grants, subject to the Developer's compliance with certain requirements set forth in this Agreement, and (c) any combination of such resources, all as hereinafter provided in this Agreement.

1.3 Legal Representation of the Parties. This Agreement was negotiated by the parties hereto with the benefit of legal representation and any rules of construction or interpretation otherwise requiring this Agreement to be construed or interpreted against any party shall not apply to any construction or interpretation hereof or thereof.

ARTICLE 2 DEFINITIONS

All capitalized terms used in this Agreement shall have the meanings ascribed to them in this Article 2, or as otherwise provided herein.

"Actual Completion Date" means the date on which construction of the Phase 1 of the Development generally as depicted on the Phasing Plan attached here to as **Exhibit "A-1"** ("Phase 1") is substantially complete.

"Actual Opening Date" means a date established on or before the date the Development initially opens for business to the public by the mutual agreement of Developer, the City and TIRZ #2.

"Affiliate" means any person, entity or group of persons or entities which controls the Developer, which the Developer controls or which is under common control with the Developer. As used herein, the term "control" shall mean the possession, directly or indirectly, of the power to direct or cause the direction of management and policies, whether through the ownership of voting securities, by contract or otherwise.

"Agreement" means this Master Economic Development Agreement by and among the City, the TIRZ #2, and the Developer.

"Applicable Laws and Requirements" shall mean any applicable constitution, treaty, statute, rule, regulation, ordinance, order, directive, code, interpretation, judgment, decree, injunction, writ, determination, award, permit, license, authorization, requirement or decision of or agreement with or by Governmental Authorities.

"CERCLA" means the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended.

"Developer" means La Cascata Retail Village LP, a Texas limited partnership, and its successors and assigns.

"Development" means the construction of approximately 320,000 square feet of a shopping center development on the Site, the cost of which, together with Public Infrastructure costs, will total approximately \$65,800,000 in construction costs.

"Effective Date" means the date this Agreement was approved by the final Governmental Entity.

"Environmental Regulation(s)" means any and all present and future laws, statutes, ordinances, rules, regulations and orders of any Governmental Authority having jurisdiction over the parties hereto or any portion of the Site and pertaining to the protection of human health, Hazardous Substances, pollution or the environment.

"Force Majeure" means an event beyond the reasonable control of a party obligated to perform an act or take some action under this Agreement including, but shall not be limited to, acts of God, earthquake, fire, explosion, war, civil insurrection, acts of the public enemy, acts of civil or military authority, sabotage, terrorism, storms, rain, inclement weather, floods, lightning, hurricanes, tornadoes, severe snow storms or utility disruption, strikes, lockouts, major equipment failure, the failure of any major supplier to perform its obligations unanticipated materials shortages, or construction requirements.

"Full-Time Equivalent Job" means a job filled by (a) one (1) individual for a period of not less than forty (40) hours per week, or (b) two (2) or more individuals for a period of not less than forty (40) hours per week in the aggregate, each of which may also be a "Part-Time Equivalent Job" if it is filled by one (1) individual for twenty (20) hours per week or less.

"Governmental Entities" shall mean the City and the TIRZ #2.

"Increment" has the meaning assigned to it in Section 311.012 of the Texas Tax Code.

"Part-Time Equivalent Job" shall mean a job filled by an individual for a period of (20) twenty hours per week or less, including, without limitation, a one (1) individual "Full-Time Equivalent Job" as defined in item (b) of that definition.

"Phase" Phase 1, Phase 2, or Phase 3, each generally as depicted on the Phasing Plan is each a Phase and they are collectively "Phases".

"Public Infrastructure" means the streets, roads, water, wastewater and storm drainage, and other public improvements necessary in connection with the Development as further shown on **Exhibit "C"**, attached hereto.

ARTICLE 3
DEVELOPMENT AND OPERATION OF THE DEVELOPMENT

3.1 Overview. Subject to the terms and conditions set forth in this Agreement, the Developer shall develop and construct the Development on the Site and related Public Infrastructure as contemplated herein. A portion of the Eligible Project Costs will be financed by the Governmental Entities, subject to the terms and conditions stated herein.

3.2 Public Infrastructure. The City and the Developer agree that the Public Infrastructure, after constructed and completed by the Developer, will be owned by the City for the benefit of and use by the general public, and shall be operated in accordance with State law and the rules, regulations and policies of the City for the benefit of the general public. During development and construction, the Developer shall keep separate records and accountings for the portion of the Eligible Project Costs for the Development to be designated as the Public Infrastructure.

3.3 Eligible Costs Budget.

3.3.1 Eligible Project Costs. The Eligible Project Costs shall include costs of design and construction of the Public Infrastructure, being off-site streets, water, wastewater, storm drainage and other public improvements necessary in connection with the Development as allowed in Section 311.002 (1) of the TIF Act. A list of the Eligible Project Costs are shown on **Exhibit "C"**, attached hereto and incorporated herein.

3.3.2 Final Eligible Project Costs Amount. The Developer and the City hereby mutually agree in writing that the final amount of the Eligible Project Costs (the "Final Eligible Project Costs Amount") is \$8,000,000.

3.4 Development and Construction Responsibilities.

3.4.1 Developer's Responsibilities. The Developer shall, at its cost and expense, cause the Development and related Public Infrastructure to be constructed and developed as contemplated in this Agreement. The Developer shall proceed diligently with construction of the Development and related Public Infrastructure and shall use reasonable efforts to cause construction of the Development and the related Public Infrastructure to be completed; however the parties acknowledge that the Development is to occur in phases and that completion of Phase 2 or Phase 3 generally as depicted on the Phasing Plan ("Phase 2" and "Phase 3", respectively), other than Phase 1 may occur upon a later schedule.

3.4.2 Compliance with Law by Developer. The Developer shall conduct all its activities in compliance with all applicable laws, ordinances, rules and regulations of any governmental authority, including without limitation all applicable licenses, permits, building codes, restrictive covenants, zoning and subdivision ordinances and flood disaster and environmental protection laws. The Developer acknowledges that the City will not waive any fees or related expenses for any

permits, licenses or approvals that must be obtained from the City in connection with the construction and operation of the Development and related Public Infrastructure.

3.4.3 Design and Construction of the Development. The Development and related Public Infrastructure shall be designed and constructed in accordance with the La Cascata Development Building Standards (the "Development Building Standards"), which are attached hereto and incorporated herein as **Exhibit "D"**. Developer agrees to provide a copy to the City of all plans and specifications for the Development to insure compliance with the Development Building Standards prior to award of any construction contracts. No reimbursements as provided for in this Agreement shall be made to Developer by any Governmental Entity if Developer fails to materially comply with the Development Building Standards.

3.4.4 Obligations Specific to the Public Infrastructure.

(a) Contract for Public Infrastructure. The Developer will enter into a contract or contracts with third party contractors (each a "Contractor") to outline and oversee all work on the construction of the Public Infrastructure. The Public Infrastructure contracts (i) may be separate from contracts that the Developer executes for construction of the portions of the Development that are not Public Infrastructure, or (ii) may be contained in contracts for construction of the entire Development (including the Public Infrastructure) so long as such contracts contain appropriate terms requiring all parties to maintain separate records and accounting for construction of (x) the Public Infrastructure and (y) the other portions of the Development. Regardless of form, all Public Infrastructure contracts shall be subject to the prior written approval of the City, which shall not be unreasonably withheld, conditioned or delayed. The Developer will not be required to bid construction contracts in accordance with the statutory provisions governing the competitive bidding of construction projects by the City. No reimbursements as provided for in this Agreement shall be made to Developer by any Governmental Entity if Developer fails to materially comply with any statutory provisions related to the Public Infrastructure; however, pursuant to Section 311.010(g) of the TIF Act, this Agreement is not subject to Chapter 252 of the Texas Local Government Code. Any such determination of non-compliance not made prior to the date of issuance of any Certificate of Occupancy is issued for the Development (or applicable Phase thereof) (which may be temporary if tenant improvements are necessary for issuance of a permanent Certificate of Occupancy) shall be deemed waived (which waiver to be inapplicable to a subsequent Phase, completed after issuance of such Certificate of Occupancy).

(b) Management of Construction of the Public Infrastructure. The Developer shall perform the usual and necessary management services incident to projects of the nature and scope of the construction and installation of the Public Infrastructure. In addition, the Developer shall strive to fully and completely

settle, by litigation or otherwise, any claims of any Contractor or subcontractor relating to or arising out of the construction and/or installation of the Public Infrastructure or performance or non-performance under any Public Infrastructure contract without involving the City.

(c) Monthly Certificates Related to Public Infrastructure. During construction and until the Actual Completion Date, the Developer shall submit monthly certificates to the City that state, as of a date certain: (i) the specific work on the Public Infrastructure that has been completed since the last monthly report; (ii) the amount of money that the Developer has paid for completion of such work and that the Developer intends to claim as an Eligible Project Costs; and (iii) the Developer's calculation of the estimated cost remaining to complete the development and construction of the items included in the Eligible Project Costs, including the Public Infrastructure.

(d) Review by City. As part of the process of issuance of permits therefor, the City shall have the right to review the design of the Public Infrastructure, and, as part of the related inspection process, the City shall have the right to determine compliance of the construction of the Public Infrastructure with the Development Building Standards and Applicable Laws and Requirements. The Developer shall provide access to the Site for the City to undertake such reviews and inspections. If during the permitting process or in connection with the issuance of Developer's Certificate of Occupancy (which may be temporary if tenant improvements are necessary for issuance of a permanent Certificate of Occupancy), or the City's acceptance of dedication of the Public Infrastructure, the City, in its reasonable discretion, determines in good faith that the design and/or the construction of the Development or Public Infrastructure is not being performed in any material respect substantially in accordance with the Development Building Standards or Applicable Laws and Requirements, then the City shall deliver written notice thereof to the Developer, in which event the Developer shall promptly cause each deficiency to be corrected in all material respects. In the event that the Developer breaches the immediately preceding sentence, then upon written notice to Developer, the City shall have the right to (a) take any and all actions to remedy such breach, (b) issue written instructions to the architect, the general contractors, and any other person or entity performing design and/or construction work for the Development or Public Infrastructure to otherwise cease construction (other than the construction of such deficiencies) until such deficiencies are corrected, (c) obtain appropriate injunctive relief to prohibit the Developer, the architect, the general contractors, and any other person or entity performing design and/or construction work for the Development or Public Infrastructure from proceeding with construction (other than the construction of such deficiencies) until such deficiencies are corrected, (d) and/or suspend all payments, disbursements, or reimbursements under the City Grants until such deficiencies are corrected. Subject to any outstanding notices at the time of completion of construction, at such time as construction of the Development (or applicable Phase thereof) or the Public Infrastructure is

completed and either a Certificate of Occupancy (which may be temporary if tenant improvements are necessary for issuance of a permanent Certificate of Occupancy) is issued or the City accepts dedication of the Public Infrastructure, the City shall no longer have the right to assert a breach of the Development Building Standards or, other than latent defects, Applicable Laws and Requirements regarding the construction thereof; however, the City shall continue to have such right with regard to a Phase completed after issuance of a Certificate of Occupancy.

3.4.5 Insurance Requirements. The Developer shall ensure that the general contractors and architect shall, at their sole expense, maintain in effect at all times during the full term of the construction of the Public Infrastructure, insurance coverage substantially consistent with that required by Developer on other similar projects with insurers licensed to do business in the jurisdiction where the Site is located and reasonably acceptable to the City and the Developer. The City will preapprove such insurance prior to the date that the Developer commences construction of the Development. Such insurance shall be written on forms of policies reasonably satisfactory to the City. The City will preapprove such policy forms prior to the date that the Developer commences construction of the Development.

3.4.6 Release and Waiver. Developer will include in contracts with architects, engineers and general contractors and endeavor to cause such general contractors to include in their subcontracts with subcontractors ("Subcontractors") provisions for the release by the applicable architect, engineer, contractor or subcontractor and its insurer of the City and the other Construction Indemniteses from any and all claims or causes of action whatsoever which they or their insurers might otherwise possess resulting in or from or in any way connected with any loss covered or which should have been covered by insurance, including the deductible portion thereof, maintained and/or required to be maintained pursuant to this Agreement, the construction contract, the architect agreement, or any other contract or subcontract.

3.4.7 Indemnity. The Developer shall endeavor to cause to be included in the contracts with the architect and the construction contracts with the general contractor, including without limitation, all Public Infrastructure contracts, an indemnity provision whereby to the fullest extent permitted by applicable law, the Governmental Entities and each of their respective agents, employees, affiliated companies, successors and assigns (collectively, "Construction Indemniteses") are indemnified for, protected, held harmless and defended from and against all liabilities, claims, damages, fines, penalties, losses, liens, cases of action, costs, and expenses (including court costs, attorneys' fees and costs of investigation) of any nature, kind or description of any person or entity, directly or indirectly arising out of, caused by, or resulting from (in whole or in part), (a) the services or work performed under their contracts, (b) this Agreement, or (c) any act or omission of Indemnitor, anyone directly or indirectly employed by Indemnitor, or

anyone that Indemnitor controls or exercises control over (collectively, "Liabilities").

3.5 Conveyance of Public Infrastructure. After Developer has completed the Public Infrastructure and the Public Infrastructure has been accepted by the City, the Developer shall convey and the City shall accept dedication of any applicable portions of the Public Infrastructure. If the Public Infrastructure is in compliance with the Development Building Standards and Applicable Laws and Requirements, the City shall be deemed to have accepted the applicable portion of the Public Infrastructure. Upon such dedication and acceptance, the City shall be responsible for maintaining such applicable portion of the Public Infrastructure in a manner consistent with similar infrastructure maintained by the City. The amount of the Public Infrastructure to be built by Developer and dedicated to the City shall be limited in accordance with the projections in the Final Eligible Project Costs Amount as they may be adjusted pursuant to this Agreement. In the event that the costs of the Public Infrastructure exceed the amount set forth in the Final Eligible Project Costs Amount, any excess costs shall be paid by the Developer. In the event that the costs of the Public Infrastructure costs are less than the Final Eligible Project Costs Amount, any savings can be utilized by Developer for whatever purposes it desires.

ARTICLE 4 CITY FINANCING

4.1 Cost of Construction. The Developer shall be responsible for all costs of development and construction of the Development and related Public Infrastructure. Developer shall receive rebates from the sources described in and accordance with this Article 4; provided however, that the total amount rebated to the Developer from the City Grants shall not exceed a total maximum principal amount equal to \$3,600,000 (the "Public Participation Amount"). The Developer will receive the benefit of the Public Participation Amount through payment of the proceeds of the City Grants as described in this Article 4. The Public Participation Amount will be funded solely from, and only to the extent generated by, the sources described in this Article 4. The Developer shall be responsible for and shall finance the entire cost of the development and construction of the Development and related Public Infrastructure subject to reimbursement as provided in this Agreement.

4.2 Developer Obligations. In order for Developer to receive City Grants, as specified in this Article, Developer shall have accomplished the following:

- (a) Complete construction of \$5,000,000 in new capital improvements on the Site, as verified by the Bell County Appraisal records;
- (b) Complete construction of the Public Infrastructure;
- (c) Generate or cause to generate at least \$100,000 in City sales tax revenues from the Site;
- (d) Meet or exceed the employment requirements set forth in Article 6, herein; and
- (e) Comply substantially with all other terms and conditions of this Agreement.

4.3 City Grants. The City represents that the current aggregate sales tax rate in the City as of the Effective Date is eight and one-quarter percent (8.25%), of which one percent (1%) is the portion of the City's share that is herein designated as the available share (the "Available City Sales Tax"). The City shall provide economic development grants to the Developer pursuant to Chapter 380 of the Texas Local Government Code (the "City Grants") in an amount equal to fifty percent (50%) of the sum of the Available City Sales Tax revenues collected by the City from the Site. The City Grants shall continue until the Developer has received payment in full of the Public Participation Amount.

4.4 Limitations on City Grants. Sales taxes from a location within the current City limits that relocates to the Site, if the relocating retail establishment no longer operates a business at the previous location (unless such previous location ceased operation due to nonrenewal of the right to operate in such location by a third party, not by such retail establishment) will be ineligible for inclusion in the Available City Sales Tax revenues for the Site; however, the Developer will remain eligible for City Grants generated from the remainder of the retail establishments at the Site.

4.5 Sales Tax Reports. Owner shall use commercially reasonable good faith efforts to acquire from each tenant a Tenant's Waiver in the form of **Exhibit "E"** or such other form that is reasonably approved by the Texas Comptroller's office that allows City to review such tenant's reported sales tax information on at least a quarterly basis throughout the Term of this Agreement. By July 31 of each year during the term of the Agreement, Developer will provide the City with: (a) a copy of any sales tax returns filed or received by it and, (i) to the extent in the Developer's possession, any other businesses located in the Development, or (ii) to the extent such sales tax returns of other businesses are not in the Developer's possession, then the City shall promptly obtain such information directly from the Texas Comptroller's Office (broken out by taxpayer based on geographic area), and such information directly obtained by the City shall be deemed to satisfy the requirements of this Section 4.5, and (b) an annual report certifying the status of compliance of all performance requirements accompanied by supporting documentation reasonably necessary to show full compliance of Developer's performance requirements. Said reports shall remain confidential as provided by state law.

4.6 City Grant Payments. The City will pay the City Grants to Developer annually within ninety (90) days of receipt of the documentation in Section 4.5, such obligation to continue until payment in full of the Public Participation Amount.

4.7 Exceptions. In addition, the Killeen City Council has the sole right to grant exceptions, on a case-by-case basis, to the provisions under which sales tax rebates may or may not be granted. Nothing in this Agreement will prevent the Developer from requesting an exception to the provisions under which sales taxes may be granted, on a case-by-case basis, from the Killeen City Council.

ARTICLE 5
TIRZ #2 FINANCING

5.1 TIRZ #2 Formation. The City has formed the TIRZ #2 Zone, a Tax Increment Financing Reinvestment Zone in accordance with Section 311.005(a)(2) of the Texas Tax Code covering the area described in **Exhibit "B"**.

5.2 TIRZ #2 Obligations. In addition to the City Grants described in Article 4, the City anticipates paying to the Developer monies on deposit in the tax increment fund generated from the Site ("TIRZ #2 Revenues") for the purpose of discharging obligations arising out of this Agreement for which the TIRZ #2 Revenues have been pledged and other costs, expenses and obligations incurred by the TIRZ #2. Unless earlier terminated pursuant to this Agreement, the term of the TIRZ #2 (the "TIRZ #2 Term") will expire upon the earlier of (a) the date on which the Developer has received the Final Eligible Project Costs Amount as described in Section 5.4 below, or (b) twenty (20) years from the date of the First Payment Date (defined below). If, at the expiration of the TIRZ #2 Term, TIRZ #2 Revenues exist which are not required to be paid toward satisfaction of the Final Eligible Project Costs Amount, such remaining TIRZ #2 Revenues will be distributed into the general funds of the City, and any other participating taxing unit in the proportion of each unit's contributions to the TIRZ #2 for the tax year most recently ended.

5.3 Developer TIRZ #2 Obligations. In order for Developer to be eligible for the TIRZ #2 Revenues, as stated in this Article 5, Developer shall have accomplished the following:

- (a) Created a taxable appraised value at the Site, according to the Bell County Appraisal District of at least \$37,000,000 within one (1) year after the First Payment Date, \$50,000,000 within two (2) years after the First Payment Date and \$55,000,000 within three (3) years after the First Payment Date and throughout the balance of the TIRZ #2 Term ("Annual Projected Appraised Value"). The parties acknowledge that the Development is to occur in Phases, and that consequently satisfaction of this Section 5.3 and the eligibility of the Development for TIRZ #2 Reimbursements may be delayed until completion of all Phases of the Development. If the taxable appraised value as determined by the Bell County Appraisal District is, in any tax year during the term of this Agreement, lower than the Annual Projected Appraised Value, then the annual TIRZ #2 Revenue payments will be deferred pro-rata to an amount equivalent to the percentage of actual taxable appraised value created. However, no TIRZ #2 Revenues will be paid to Developer if the taxable appraised value drops below sixty percent (60%) of the Annual Projected Appraised Values in any given year; and
- (b) Accomplished the Developer Obligations in Section 4.2, above.
- (c) Comply substantially with all other terms and conditions of this Agreement.

5.4 TIRZ #2 Reimbursements. TIRZ #2 Revenues may be used to reimburse or pay for Eligible Project Costs or as otherwise allowed by Section 311.014 of the Texas Tax Code and approved by the City and/or the TIF Board, contingent upon compliance with the terms and conditions of this Agreement. The TIRZ #2 shall contribute into a tax increment fund on behalf of Developer sixty-five percent (65%) of the tax increment related to the TIRZ #2, as provided for in Section 311.012 of the TIF Act for the TIRZ #2 Term. For the purposes of determining the tax increment, the parties stipulate that the appraised value of the Site both when TIRZ #2 was established and on the Effective Date of this Agreement is \$0.16385 per square foot. The TIRZ #2 Reimbursements shall be paid annually to Developer on or before September 30th of each calendar year.

ARTICLE 6
ADDITIONAL DEVELOPER OBLIGATIONS

6.1 Completion of the Development. The Developer shall use commercially reasonable efforts to cause construction of the Development and related Public Infrastructure to be completed. The first payment date of TIRZ #2 Revenues under this Agreement will be a date after the Actual Completion Date that is mutually agreed upon in writing by Developer, TIRZ #2 and the City (the "First Payment Date").

6.2 Development Employment. Additionally, the First Payment Date will not occur for a period of at least twelve (12) months after the later to occur of: (a) the Actual Opening Date, or (b) the date that there are at the Development at least seventy-five (75) Full-Time Equivalent Jobs or three hundred (300) Part-Time Equivalent Jobs or a blend of such number of Full-Time Equivalent Jobs and Part-Time Equivalent Jobs with up to one hundred percent (100%) thereof being Part-Time Equivalent Jobs. For the purposes of this Agreement, a Full-Time Equivalent Job shall be deemed to have been created for each 600 square feet of gross leasable area (GLA) constructed. This standard is based on the 2013 Economic Impact of Shopping Centers produced by the International Council of Shopping Centers.

6.3 Audits. The Developer agrees that the City has the right to audit the records of the Developer (and its Affiliates) that relate to the Eligible Project Costs, including the cost of the Public Infrastructure (collectively "Records") at any time in order to determine compliance with this Agreement. The Developer shall make all Records available to the City and shall otherwise cooperate fully with the City during any audit.

6.4 Limitations on Sales Tax Rebates. The Development will remain eligible for City Grants generated from the remainder of the retail establishments at the Site; however, sales tax rebates will be limited to those companies in a retail sector where there is documented retail leakage outside the city limits of the City of Killeen. Qualifying retail sectors are listed in the Retail Gap Analysis Report for the Trade Area as of the date of the lease in question (the "Report") available at the Greater Killeen Chamber of Commerce. The City shall utilize the Report to reasonably determine whether or not there is retail leakage outside the city limits of the City and this reasonable determination shall be final.

ARTICLE 7
CHANGE IN TAX SCHEME

The City agrees that if the compliance by the City with the terms of this Agreement under Chapter 380 or otherwise is ever made illegal or unenforceable, or if the sales tax rate or ad valorem tax rate as described in this Agreement is ever altered as a result of a shift in the overall tax scheme utilized by the State, then it is the intent of the City and Developer that Developer shall still be entitled to receive from the City reimbursement of the full Public Participation Amount described herein expended by Developer in connection with the Development so long as those costs can be reimbursed from the sales tax receipts actually received by City in accordance with the conditions described and agreed upon herein, to the extent such reduction is offset by an increase in other revenues generated by the Development to the benefit of the City, such other revenues will be utilized to satisfy the City's obligations with respect to the Public Participation Amount to the extent of the deficiency resulting from such reduction, subject to annual appropriation and to the extent allowed by law. The parties to this Agreement will follow the policy of the City of Killeen in effect on the date of the signing of the Development Agreement. No subsequent policy will apply to the parties unless approved by the City of Killeen and the Developer.

ARTICLE 8
TERMINATION

8.1 Termination. This Agreement may be terminated for any of the following reasons:

8.1.1 By Mutual Consent. By the mutual consent of the Governmental Entities and the Developer.

8.1.2 By City. By the City after compliance with the procedures set forth herein, if Developer commits a substantial breach under this Agreement which is not cured in a timely manner, as stated in this Agreement.

8.1.3 By Developer. By the Developer after compliance with the procedures set forth herein, if (a) any of the City's representations or warranties contained in this Agreement is, or becomes, untrue in any material respect, or (b) the City has failed to perform any of their respective covenants contained in this Agreement.

8.2 Termination Date. The date of termination of this Agreement (the "Termination Date") shall mean the date on which this Agreement is terminated for any of the reasons listed in Section 8.1 of this Agreement, or when the Public Participation Amount and the TIRZ #2 Reimbursements as shown in Section 5.4 have been paid in full, whichever occurs earlier.

8.3 City Termination Procedure. If the City discovers any substantial breach, then the City will deliver a written notice to the Developer of such substantial breach, specifying the factual basis therefore in reasonable detail. The Developer shall have the right to cure any matter set forth in such notice within one hundred twenty (120) days following the date such notice is received or such additional time thereafter as is reasonably necessary in order to cure the breach

provided Developer diligently pursues the cure during such additional time. Upon such notice and the Developer's failure to timely cure, the City may terminate this Agreement by delivering written notice of termination to the parties which will be effective no less than ten (10) days after receipt of such notice by the Developer, and Developer's failure to cure within such ten (10) day period. The City, as its sole and exclusive remedy, may terminate this Agreement and cease making any further payments. The Developer shall be required to refund to the City any money grants and consideration previously paid to it by the City or the TIRZ #2 prior to such termination. The Developer shall not be liable to the City for consequential exemplary or punitive damages.

8.4 Developer's Termination Procedure If the Developer discovers that the City has failed to perform any of its covenants contained in this Agreement in any material respect, then the Developer may deliver a notice to the City of such event, specifying the factual basis therefor in reasonable detail. The City shall have the right to cure any matter set forth in such notice within thirty (30) days following the date such notice is received. Upon such notice and failure by the City to timely cure, the Developer may terminate this Agreement by delivering written notice of termination to the City which will be effective no less than ten (10) days after receipt of such notice by the City. The City and TIRZ #2 and the City shall only be liable to the Developer for the actual amount of the payments to be conveyed to the Developer pursuant to this Agreement, together with reasonable attorneys' fees and costs of collection, and neither the City, nor TIRZ #2 shall be liable to the Developer for consequential, exemplary or punitive damages.

8.5 Effect of Termination. Upon the termination of this Agreement pursuant to this Article 8 by any party, (a) neither the City nor the Developer shall have any further duties, obligations or liabilities under this Agreement except for the indemnification and hold harmless agreements set forth herein, and (b) all costs and expenses incurred by the Developer, the City, respectively, in connection with this Agreement and the transactions contemplated hereby, including, but not limited to, the costs of the development and construction of the Development and related Public Infrastructure, shall be borne by the party incurring such costs and expenses.

ARTICLE 9 REPRESENTATIONS AND WARRANTIES

9.1 Representations and Warranties of Developer. The Developer represents and warrants to the City, as of the Effective Date and any Closing Date, as follows:

9.1.1 Organization. The Developer is a corporation duly organized, validly existing and in good standing under the laws of the State of Texas. The Developer is duly authorized to conduct business as a corporation in, and is in good standing under the laws of Texas and each other jurisdiction in which the nature of its properties or its activities requires such authorization.

9.1.2 Authority. The execution, delivery and performance by the Developer of this Agreement are within the Developer's powers and have been duly authorized by all necessary actions of the Developer.

9.1.3 Valid and Binding Obligation. This Agreement is the legal, valid and binding obligation of the Developer, enforceable against the Developer in accordance with its terms except as limited by applicable relief, liquidation, conservatorship, bankruptcy, moratorium, rearrangement, insolvency, reorganization or similar laws affect the rights or remedies of creditors generally, as in effect from time to time.

9.1.4 Full Disclosure. Neither this Agreement nor any schedule or exhibit attached hereto in connection with the negotiation of this Agreement contains any untrue statement of a material fact or omits to state any material fact necessary to keep the statements contained herein or therein, in light of the circumstances in which they were made, from being misleading.

9.1.5 Necessary Consent. The Developer acknowledges that the City is not committed or obligated to pay any expenditure incurred with respect to the construction of the Development or the related Public Infrastructure except as specifically provided in this Agreement.

9.2 Representations and Warranties of City and the TIRZ #2. The City and TIRZ #2 severally represent and warrant to the Developer, as of the Effective Date and any Closing Date, as follows:

9.2.1 Authority. The execution, delivery and performance by the City and TIRZ #2 of this Agreement are within their respective powers and have been duly authorized by all necessary action. The incentives and the terms and conditions under which the incentives are offered have been approved by the appropriate governing bodies including the Killeen City Council and the directors of TIRZ #2. Further, the execution, delivery and performance of this Agreement by the City and the TIRZ #2 do not require any consent or approval that has not been obtained.

9.2.2 Valid and Binding Obligation. This Agreement is a legal, valid and binding obligation of the City and TIRZ #2, enforceable against the City and TIRZ #2 in accordance with its terms, except as limited by applicable relief, liquidation, conservatorship, bankruptcy, moratorium, rearrangement, insolvency, reorganization or similar laws affecting the rights or remedies of creditors general, as in effect from time to time.

9.2.3 Permitting. Subject to Developer complying with all Applicable Laws and Requirements, the City agrees to cooperate with the Developer to process permits, including plat applications, site plan applications, building permit applications, sign permit applications, and building and construction inspections required for the Development, in an expeditious manner.

ARTICLE 10
INDEMNIFICATION AND INSURANCE

10.1 Indemnity. The Developer shall indemnify and hold harmless the City and City's council members, employees and agents, the TIRZ #2 and its board members and agents (collectively, the "Indemnitee" or "Indemnitees") from any and all damages, losses, liabilities (joint or several), payments, obligations, penalties, claims, litigation, demands, defenses, judgments, suit proceedings, costs, disbursements or expenses (including, without limitation, fees, disbursements and reasonable expenses of attorneys, accountants, and other professional advisors and of expert witnesses and costs of investigation and preparation) of any kind or nature whatsoever (collectively, the "Damages"), directly or indirectly resulting from, relating to or arising out of:

- (a) The construction, development, maintenance or operation of the Site, the Development, and the Public Infrastructure and other parts of the Site dedicated to the City;
- (b) The formation, organization and operation of the Developer;
- (c) Any breach of, or inaccuracy in, any representation or warranty of the Developer contained in this Agreement or in any of the Collateral Documents;
- (d) Any breach or non-performance, partial or total, by the Developer of any covenant or agreement of the Developer contained in this Agreement; or
- (e) any actual or threatened violation of or non-compliance with, or remedial obligation arising under, any federal or state environmental laws arising from any event, condition, circumstance, activity, practice, incident, action or plan relating in any way to the Site, the Facility, or the business of the Developer.

10.2 Indemnification Procedures. In case any claim shall be brought or, to the knowledge of any Indemnitee, threatened against any Indemnitee in respect of which indemnity may be sought against the Developer, such Indemnified Party shall promptly notify the Developer in writing; provided however, that any failure so to notify shall not relieve the Developer of its obligations under this Article 13. The Developer shall have the right to assume the investigation and defense of all claims, including the employment of counsel and the payment of all expenses. Each Indemnitee shall have the right to employ separate counsel in any such action and participate in the investigation and defense thereof, but the fees and expenses of such counsel shall be paid by such Indemnitee unless (a) the employment of such counsel has been specifically authorized by the Developer, in writing, or (b) the Developer has failed after receipt of notice of such claim to assume the defense and to employ counsel. Each Indemnitee shall cooperate with the Developer in the defense of any action or claim. The Developer shall not be liable for any settlement of any action or claim without the Developer's consent but, if any such action or claim is settled with the consent of the Developer or there be final judgment for the plaintiff in any such action or with respect to any such claim, the Developer shall indemnify

and hold harmless the Indemnitees from and against any Damages by reason of such settlement or judgment as provided in Section 13.1 of this Agreement.

ARTICLE 11
MISCELLANEOUS

11.1 Article, Section or Other Headings. Article or other headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

11.2 Entire Agreement. This Agreement contains the entire agreement between the parties with respect to the transactions contemplated herein.

11.3 Amendment. This Agreement may only be amended, altered, or revoked by written instrument signed by all parties.

11.4 Successors and Assigns. This Agreement shall be binding on and inure to the benefit of the parties and their respective successors and assigns. Except as specifically provided herein, this Agreement are not assignable without the prior written permission of the other parties hereto, which approval will not be unreasonably withheld, conditioned or delayed. The City agrees; however, that the Developer may assign all or part of its rights and obligations under this Agreement to any entity affiliated with Developer by reason of controlling, being controlled by, or being under common control with Developer, to a subsequent owner of all or any part of the Development, or to a third party lender advancing funds for the acquisition of the Property or for the construction or operation of the Development (each, a "Permitted Transfer"). The City hereby expressly consents to any Permitted Transfer, and agrees that no further consent of the City to any Permitted Transfer will be required. Developer agrees to provide the City with written notice of any Permitted Transfer. Notwithstanding the foregoing to the contrary, if Developer sells the Development, Developer, at its election, shall be entitled to sever from such sale and retain for itself, the right to the payments under this Agreement. Such severed right to receive payments is also assignable by the Developer if the same is a Permitted Transfer.

11.5 Waiver. No term or condition of this Agreement shall be deemed to have been waived, nor shall there be any estoppel to enforce any provision of this Agreement, except by written instrument of the party charged with such waiver or estoppel.

11.6 Remedies. Upon breach of any of the covenants contained in this Agreement or the representations and warranties contained in this Agreement, in addition to any other remedies expressly set forth in this Agreement with respect to such breach, the aggrieved party shall have such remedies as are available in law or equity for breach of contract; provided however, that no party shall be liable to any other party for incidental or consequential damages

11.7 Notices. Any notice, statement and/or other communication required and/or permitted to be delivered hereunder shall be in writing and shall be mailed by first-class mail, postage prepaid, or delivered by hand, messenger, telecopy, or reputable overnight carrier, and shall be deemed delivered when received at the addresses of the parties set forth below, or at such other address furnished in writing to the other parties hereto:

DEVELOPER: La Cascata Retail Village LP
c/o Connected Development Services
2525 McKinnon Street, Suite 700
Dallas, TX 75201
Attention: David C. Wilson
Telephone: 214-572-8441
Facsimile: 214-572-0009

With a copy to: Kane Russell Coleman & Logan PC
1601 Elm Street, Suite 3700
Dallas, TX 75201
Attention: Karen A. Cox
Phone: 214-777-4200
Facsimile: 214-777-4299

CITY: City Manager
City of Killeen
P.O. Box 1329
Killeen, TX 76540-1329
Attention: Glenn Morrison
Telephone: 254-501-7700
Facsimile: 254-634-2484

11.8 Applicable Law. This Agreement is made, and shall be construed and interpreted under, the laws of the State of Texas, and venue shall lie in State courts located in Bell County, Texas.

11.9 Severability. In the event any provision of this Agreement is illegal, invalid, or unenforceable under present or future laws, then, and in that event, it is the intention of the parties hereto that the remainder of this Agreement shall not be affected thereby, and it is also the intention of the parties to this Agreement that in lieu of each clause or provision that is found to be illegal, invalid, or unenforceable, a provision be added to this Agreement which is legal, valid and enforceable and is as similar in terms as possible to the provision found to be illegal, invalid or unenforceable.

11.10 No Third-Party Beneficiaries. The City, TIRZ #2 and Developer intend that this Agreement shall not benefit or create any right or cause of action in or on behalf of any third-party beneficiary, or any individual or entity other than the City, TIRZ #2 and Developer or permitted assignees of such parties, except that the indemnification and hold harmless obligations by the Developer provided for in this Agreement shall inure to the benefit of the Indemnitees.

11.11 No Joint Venture. Nothing contained in this Agreement is intended by the parties to create a partnership or joint venture between the parties, and any implication to the contrary is hereby expressly disavowed. It is understood and agreed that this Agreement does not create a

joint enterprise, nor does it appoint either party as an agent of the other for any purpose whatsoever.

11.12 Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be considered an original, but all of which shall constitute one instrument.

11.13 Confidential. The City, its officers and employees, and its agents or contractors retained to perform economic development services for the City, shall treat as confidential the financial statements and information together with any proprietary information delivered by the Developer, or its respective representatives to the City and its representatives and shall not release such information to the public, unless required by law or court order. The City shall immediately notify the Developer of any public information requests pursuant to the Texas Public Information Act or court orders to release information, and shall work with the Developer to seek an opinion from the Texas Attorney General to protect any information deemed to be Confidential.

CITY OF KILLEN, TEXAS

By: _____
Name: _____
Mayor

Attest:

City Secretary

KILLEEN TAX INCREMENT REINVESTMENT
ZONE #2

By: _____
Name: _____
President

DEVELOPER:

LA CASCATA RETAIL VILLAGE LP,
a Texas limited partnership

By: La Cascata Retail Village GP LLC,
a Texas limited liability company

By: _____
David C. Wilson,
Manager

EXHIBIT "A"

SITE

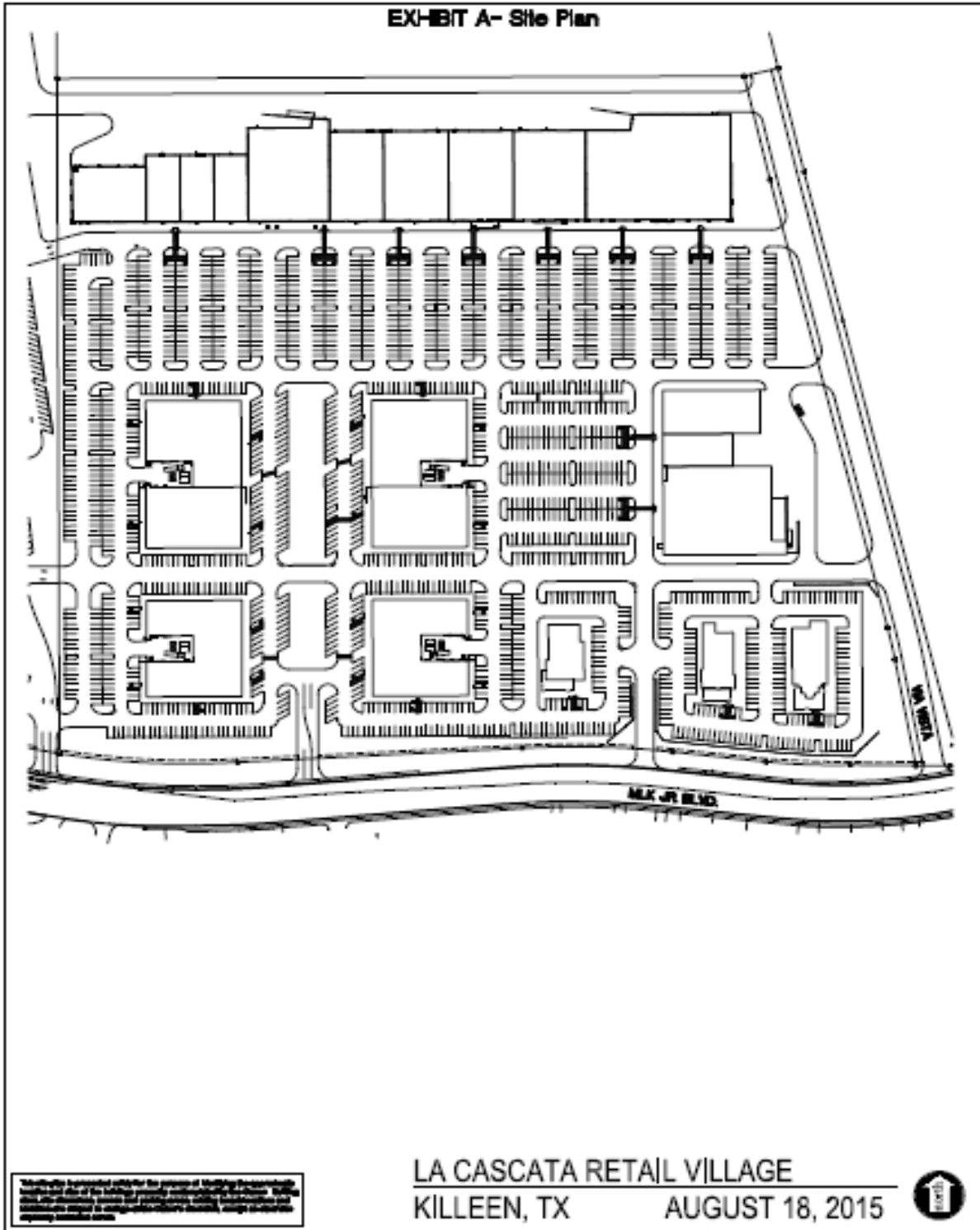


EXHIBIT "A-1"

PHASING PLAN

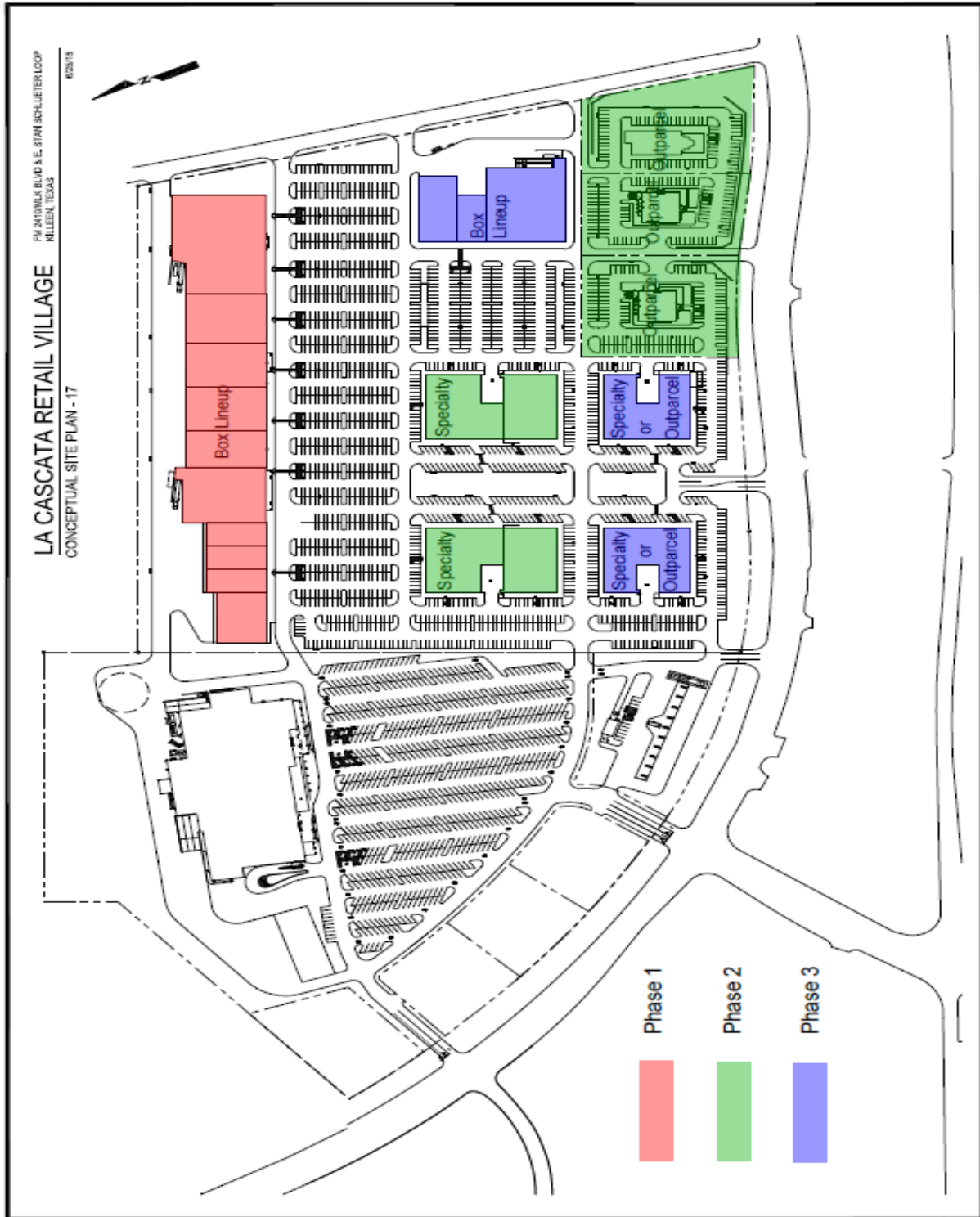
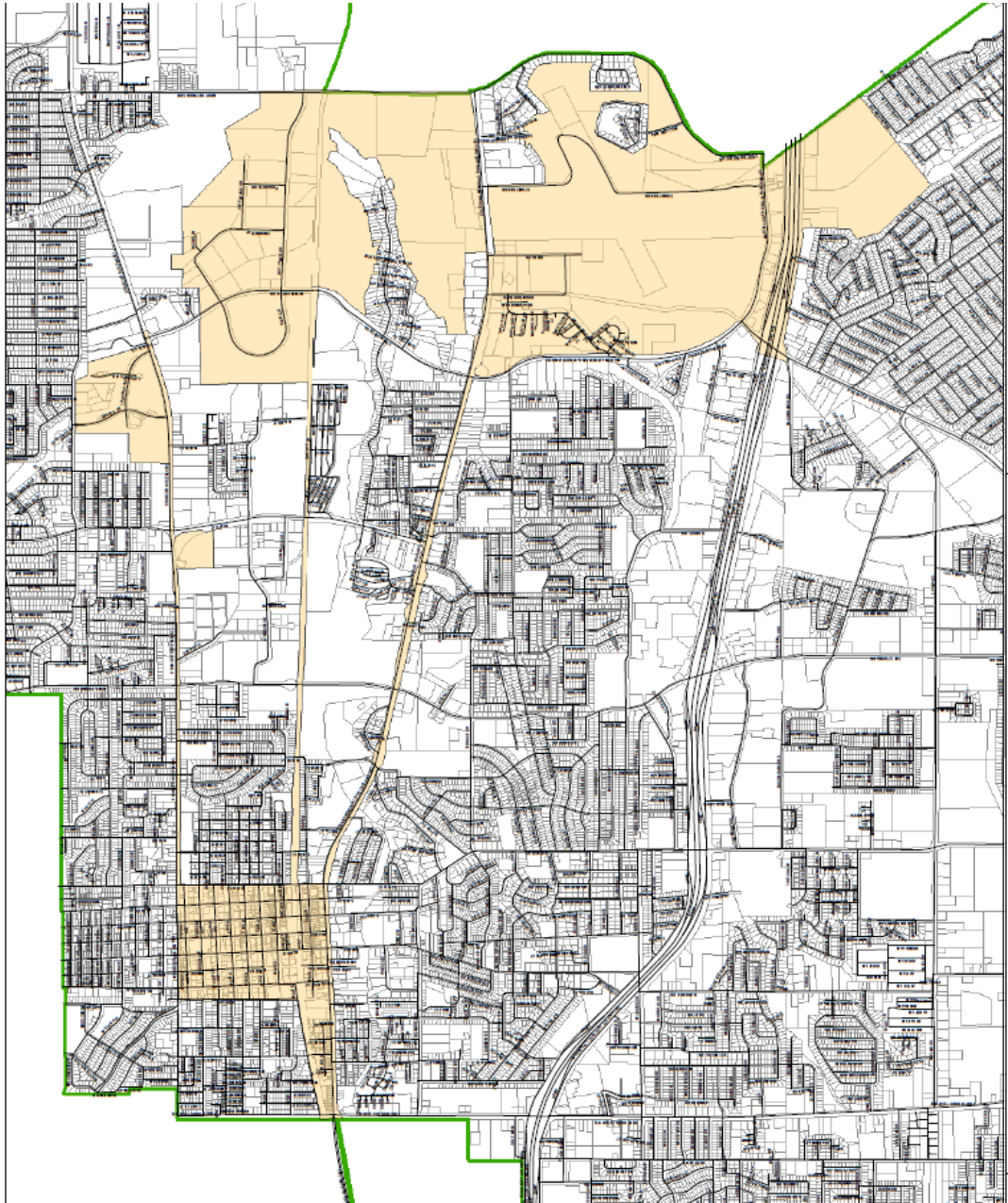


EXHIBIT "B"

TIRZ #2 ZONE



Killeen_TIRZ
Citylimits

Proposed TIRZ Number 2

EXHIBIT "C"

INFRASTRUCTURE PROJECTED COSTS

Texas Tax Code Project Costs Definition as used in this Agreement "Eligible Project Costs" means the expenditures made or estimated to be made and monetary obligations incurred or estimated to be incurred by the municipality or county designating a reinvestment zone that are listed in the project plan as costs or public works, public improvements, programs, or other projects benefiting the zone, plus other costs incidental to those expenditures and obligations. "Eligible Project Costs" include:

- A. Capital costs, including the actual costs of the acquisition and construction of public works, public improvements, new buildings, structures, and fixtures; the actual costs of the acquisition, demolition, alteration, remodeling, repair, or reconstruction of existing buildings, structures, and fixtures; the actual costs of the remediation of conditions that contaminate public or private land or buildings; the actual costs of the preservation of the façade of a public or private building; the actual costs of the demolition of public or private buildings; and the actual costs of the acquisition of land and equipment and the clearing and grading of land;
- B. Financing costs, including all interest paid to holder of evidences of indebtedness or other obligations issued to pay for project costs and any premium paid over the principal amount of the obligations because of the redemption of the obligations before maturity;
- C. Real property assembly costs;
- D. Professional service costs, including those incurred for architectural, planning, engineering and legal advice and services;
- E. Imputed administrative costs, including reasonable charges for the time spent by employees of the municipality or county in connection with the implementation of a project plan;
- F. Relocation costs;
- G. Organizational costs, including the costs of conducting environmental impact studies or other studies, the cost of publicizing the creation of the zone, and the cost of implementing the project plan for the zone;
- H. Interest before and during construction and for one (1) year after completion of construction, whether or not capitalized;
- I. The cost of operating the reinvestment zone and project facilities;
- J. The amount of any contributions made by the municipality or county from general revenue for the implementation of the project plan;
- K. The costs of school buildings, other educational buildings, other educational facilities, or other buildings owned by or on behalf of a school district, community college district, or other political subdivision of this state; and

- L. Payments made at the discretion of the government body of the municipality or county that the governing body finds necessary or convenient to the creation of the zone or to the implementation of the project plans for the zone.

EXHIBIT "D"

DEVELOPMENT BUILDING STANDARDS

Development/construction/design

The Site Plan and Elevations shall be substantially in conformance with the attached approved Exhibit A Site Plan and Exhibit B Elevations. Future work shall be in substantial conformance with the following:

The various commercial/retail subareas should be visually defined through architecture, paving materials, public art and urban design features such as fountains, pedestrian intersections and landscape/streetscape themes.

High-quality design, materials and building techniques that contribute to a distinctive "sense of place" at a pedestrian scale should be used.

Durable, high quality exterior building materials should be used to convey the sense of quality and permanence minimizing maintenance concerns, and promoting buildings that will last over time. Examples of appropriate materials include: stone, brick, tile, stucco/EIFS, terra cotta, glass, concrete and metal as accents. Building materials and colors should be used to unify and provide visual interest to building exteriors,

Colors generally should be limited to promote a visual simplicity and harmony.

Roof forms should be consistent with the rest of the building in terms of architectural style, level of detailing, and quality of materials. Roofs should be given design considerations and treatment equal to that of the rest of the building exteriors. Flat roofed buildings should incorporate a strong, attractively detailed cornice or parapet that screens rooftop equipment from streets, walkways and other public areas, and creates a distinctive silhouette.

Architectural features should be designed to be integral to the building, and not just surface ornamentation that is artificially thin or simply tacked or painted onto the building's surface. Windows shall be provided rather than blank walls. A minimum of sixty (60%) percent of all glass which faces the street shall be in nonreflective, transparent glazing glass. At this building level, reflective glass shall not be used. Graphic window painting is not permitted.

Retail buildings shall feature entrances that are coordinated with pedestrian networking and public connectivity to and through the entire site.

Minimum exterior wall requirements: The front façade shall be articulated to reduce the mass and scale of an uniform impersonal appearance of large buildings and to provide visual interest. Visual interest shall be provided using a minimum of three (3) of the following elements:

- a) Variation in color and/or materials;
- b) Wall plane projections or recesses extending at least two (2) feet of the length of the facade between projections and recesses and have;
 - 1) a depth of at least one (1) foot for walls between 50 feet and up to 150 feet in length
 - 2) a depth of at least two (2) foot for walls between 150 feet and up in length

Note: Plane projections do not have to extend the full height of the facade

- e) Variation of a minimum of two (2) feet in height of parapets. Variation to parapet height may include pilasters and projecting raised entrance features;
- f) Pilasters projecting from the plane of the wall by a minimum of six (6) inches. ; Note: Pilasters do not have to extend the full height of the facade
- g) Canopies projecting a minimum of four (4) feet from the plane of the primary facade walls;
- h) Banding shall be complimentary to scale with the building (approved by the executive director of planning and development services.
- i) Repetitive or accent ornamentation including decorated applied features such as wall-mounted light fixtures or applied materials. Ornamentation shall be located with a maximum spacing of forty (40) feet.

Ground mounted mechanical equipment, loading docks, waste and storage areas shall be screened or masked from public view from 2410/MLK Jr Blvd

Design surface parking as an integrated and attractive element of the urban environment that promotes pedestrian comfort and safety. Parking lots should meet all city requirements and incorporate the following:

End islands with a tree in each, should be at the end of each parking row. The island shall have raised curbing not less than six inches in height and encompass an area of not less than 90 square feet for single parking row end islands or 180 square feet for double parking row end islands.

In the Lifestyle/ Specialty areas:

Provide pedestrian accessibility and amenities (i.e. benches) into larger landscaped areas, in order to create “usable green spaces” within the project, rather than simply irrigated features to be viewed from afar.

Connect to the future residential areas offering access for pedestrians and bicyclists to and from the site as shown on Exhibit A. Provide ease of access, transit connections and non-automobile alternatives as a component of the project. Bike lanes and bicycle racks are recommended as part of the project to encourage ridership from future surrounding residential areas.

Provide street lighting that is scaled for the pedestrian while still meeting vehicular needs. Lighting for a parking lot or structures should be evenly distributed and provide pedestrians and drivers with adequate visibility at night.

Encourage sidewalk and outdoor dining as well as other uses of the public sidewalk to create a more vibrant experience. Sidewalk cafes and outdoor dining areas encourage a pedestrian-oriented environment, help to create a visually attractive atmosphere and promote overall commerce. Where possible, outdoor dining/café areas should be clearly demarcated and physically constrained from expanding out on to pedestrian circulation space and disabled access routes.

The provision of on-site open space such as plazas, streetscapes, courtyards etc. is an integral component of the pedestrian oriented, shopping/entertainment-oriented lifestyle center. These public and semipublic spaces provide an inviting setting that encourages pedestrians to gather

and linger, and can be designed specifically to complement and enhance the commercial function of adjoining retail uses.

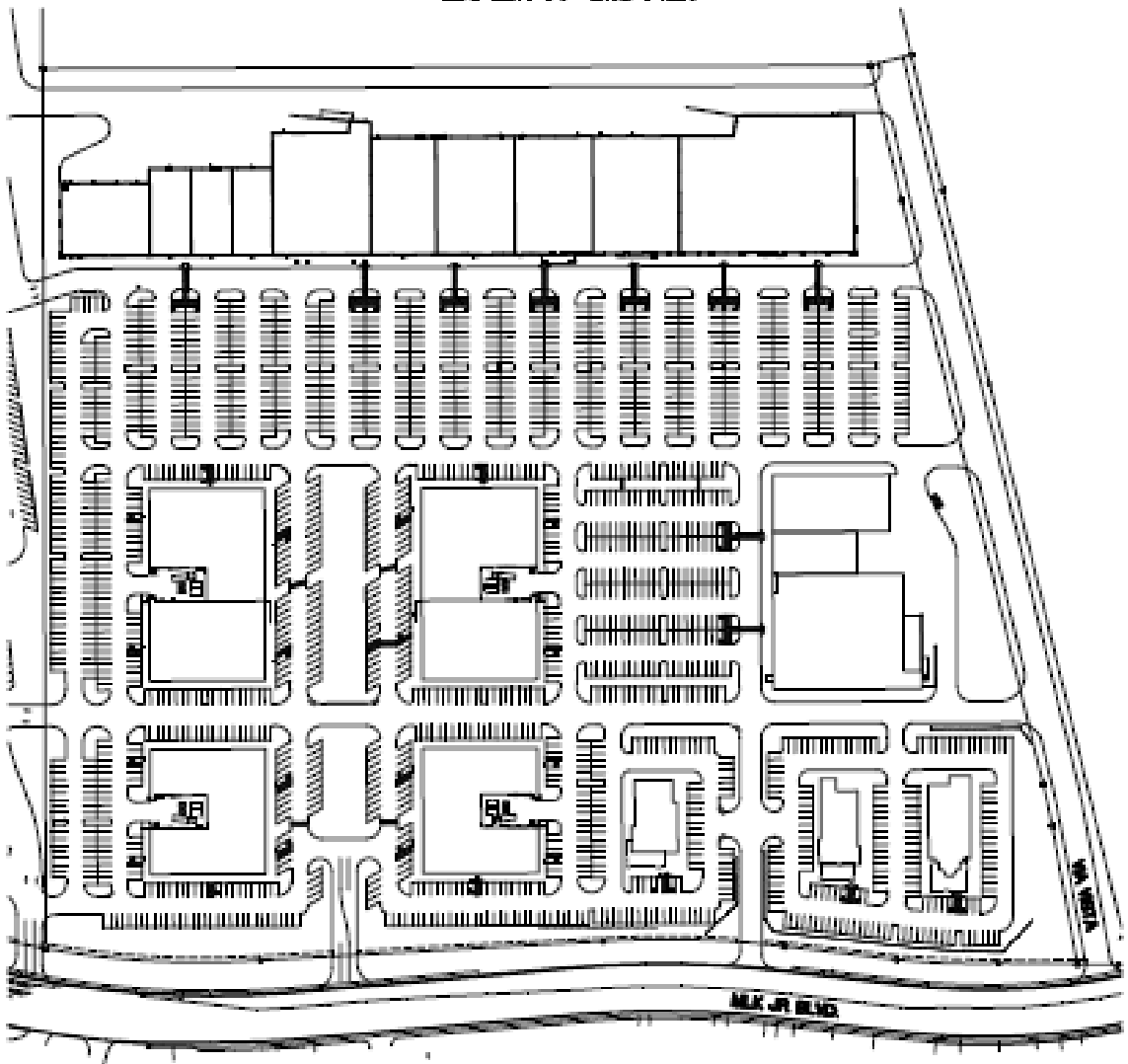
Increase the use of open space by providing shade, street furniture, special paving for pedestrian pathways, turf, accent and flowering plants, and other site amenities. Large areas can be imaginatively developed and economically maintained.

Plazas and courtyards should be well defined by buildings and landscaping, comfortably scaled, landscaped for shade and ornament, furnished with areas for sitting, and lighted for evening use. Permanent above ground planters can also serve as seating. Plazas and courtyards should include a focal element such as a sculpture, water feature or landscape element, and simple sitting niches.

Decorative paving materials, patterns, textures, and colors should be used to highlight important pedestrian zones, such as gateways and other important street intersections.

Signage planning within a development shall be well-coordinated and constructed with colors, materials and architectural styles that complement those used on the principal structures on the site. When used, directional signage within a development shall have a uniform look and be distributed so as to not cause confusion or inhibit the safe travel of vehicles and pedestrians throughout the site.

EXHIBIT A- Site Plan



This plan is prepared under the general supervision of the Professional Engineer, and is not to be used for any other purpose without the written consent of the Professional Engineer. The Professional Engineer is not responsible for any errors or omissions in this plan, and is not to be held liable for any damages or losses resulting from the use of this plan.

LA CASCATA RETAIL VILLAGE

KILLEEN, TX

AUGUST 18, 2015



SHOPPING CENTER MATERIAL SCHEDULE:

01	SW 6108	"Pacer White"
02	SW 6106	"Kilim Beige"
03	SW 6107	"Nomadic Desert"
04	SW 6101	"Sands of Time"
05	SW 6088	"Nuback"
06	SW 6082	"Cobble Brown"
S1		Natural Limestone Veneer
T1		Boral Mission Tile "Rustic Palermo"

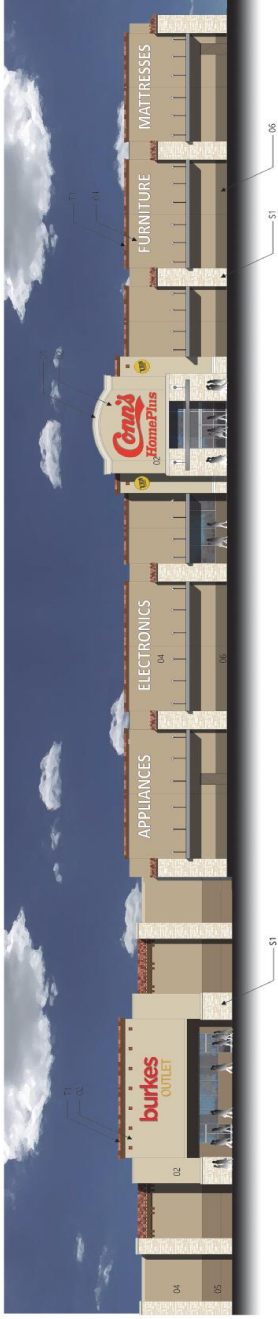


EXHIBIT B - Elevations

Shopping Center Elevations

EXHIBIT "E"

WAIVER OF SALES TAX CONFIDENTIALITY

Date: _____

I _____ authorize the Comptroller of Public Accounts to release sales tax information pertaining to the taxpayer indicated below to the City of Killeen, Texas. This waiver applies only to our place of business located in Killeen, Texas.

Name of Taxpayer as Shown on Texas Sales Tax Permit

Taxpayer Mailing Address

Physical Location of Business Permitted for Sales Tax in Killeen, Texas

Texas Taxpayer ID Number

Tax Outlet Number

Authorized Signature

Printed Name

Position/Title

Telephone Number

The authorized signature must be an owner, officer, director, partner, or agent authorized to sign a Texas Sales Tax Return. If you have any questions concerning this waiver of confidentiality, please contact the Texas Comptroller of _____.